

BEFORE THE STATE CORPORATION COMMISSION
OF THE STATE OF KANSAS

In the Matter of the Investigation into Kansas Gas)
Service Company, a Division of ONE Gas, Inc.)
Regarding the February 2021 Winter Weather Events,) Docket No. 21-KGSG-332-GIG
as Contemplated by Docket No. 21-GIMX-303-MIS)

JOINT MOTION TO APPROVE SETTLEMENT AGREEMENT

Kansas Gas Service Company, a Division of ONE Gas, Inc. ("Kansas Gas Service"), the Staff of the State Corporation Commission of the State of Kansas ("Staff" and "Commission" respectively), the Citizens' Utility Ratepayer Board ("CURB") and National Gas Transportation Customer Coalition ("NGTCC") (collectively Joint Movants"), pursuant to K.A.R. 82-1-230a, request the Commission issue an Order approving the Settlement Agreement ("Agreement") attached hereto as Exhibit A. In support of this Motion, the Joint Movants state and allege as follows:

1. On February 15, 2021, the Commission issued an Emergency Order ("Emergency Order") relating to the stress on utility and natural gas providers caused by the sub-zero temperatures which were causing increased energy demand and natural gas supply constraints throughout Kansas and wholesale natural gas prices to increases from 10 to 100 times higher than normal ("Winter Event").¹ The Commission stated that Kansas utilities were facing potential reliability issues related to the prolonged arctic temperatures and, therefore, it intended to exercise its emergency powers pursuant to K.S.A. 77-536(a).² The Commission directed all jurisdictional natural gas and electric utilities to coordinate efforts and take all reasonably feasible, lawful, and appropriate actions to ensure

¹Emergency Order, Docket No. 21-GIMX-303-MIS, In the Matter of Record Natural Gas Prices and Potential System Reliability Issues from Unprecedented and Sustained Cold Weather, February 15, 2021, page 1, paragraph 1 ("Emergency Order").

²*Id.*, pages 1-2, paragraph 2.

adequate transportation and electricity to interconnected, non-jurisdictional Kansas utilities.³ The Commission ordered the utilities to do everything necessary to ensure natural gas and electricity service continue to be provided to their customers in Kansas.⁴ The Commission authorized every electric and natural gas utility to defer extraordinary costs relating to the Winter Event to a regulatory asset account.⁵ The Commission indicated that deferred costs may also include carrying costs at the utility's weighted average cost of capital ("WACC").⁶

2. On March 9, 2021, the Commission opened Docket No. 21-KGSG-332-GIG ("332 Docket") to investigate the effects of the Winter Event on Kansas Gas Service and its customers.⁷ The Commission intended to analyze any extraordinary costs incurred during the Winter Event.⁸ The Commission ordered Kansas Gas Service to file a plan to minimize the financial impact of the Winter Event on customers.⁹

3. On May 28, 2021, Kansas Gas Service filed a Motion for Limited Waiver ("Motion for Waiver") in this docket seeking Commission authorization to deviate from Section 11.06 of the Kansas Gas Service General Terms and Conditions for Gas Service ("Tariff") provisions in order to allow Kansas Gas Service to remove multipliers from the calculation of penalties incurred by marketers and Individually Balanced Transportation Customers for violations of the Operational Flow

³*Id.*, page 2, paragraph 3.

⁴*Id.*

⁵*Id.*, page 2, paragraph 4.

⁶*Id.*

⁷Order Adopting Staff's R&R to Open Company Specific Investigations, Docket No. 21-KGSG-332-GIG, March 9, 2021, page 5, paragraph 10.

⁸*Id.*

⁹*Id.*

Orders ("OFO") and/or Period Curtailment Orders ("POC") issued by Kansas Gas Service during Winter Storm Uri.¹⁰

4. On October 8, 2021, a Joint Motion to Approve Non-Unanimous Settlement Agreement was filed in this docket relating to the Motion for Waiver ("Settlement on Waiver"), which is pending determination by the Commission ("Waiver Proceeding").¹¹

5. On July 30, 2021, Kansas Gas Service submitted its plan to minimize the financial impact of the Winter Event on customers in the 332 Docket ("Financial Plan").¹² Kansas Gas Service filed pre-filed direct testimony and exhibits in support of its Financial Plan prepared by Janet L. Buchanan, Mark W. Smith, Sean C. Postlethwait, Bernadette M. Johnson and Matt L. Robbins.¹³ Under the Financial Plan, Kansas Gas Service would apply for a Financing Order in a separate docket pursuant to the applicable provisions contained in the Utility Financing and Securitization Act passed by the Kansas Legislature in 2021 ("Act").¹⁴ The Financing Order would authorize the issuance of Securitized Utility Tariff Bonds to finance the Qualified Extraordinary Costs (as defined by the Act) incurred by Kansas Gas Service as a result of the 2021 winter weather event ("Winter Event") in order to minimize the financial impact on the Company and its customers.

The other main elements of the Plan included the: (1) identification and quantification of the

¹⁰Motion for Waiver, Docket No. 21-KGSG-332-GIG filed May 28, 2021.

¹¹Joint Motion to Approve Non-Unanimous Settlement Agreement, Docket No. 21-KGSG-332-GIG filed October 8, 2021.

¹²Kansas Gas Service's Plan to Minimize Financial Effects of Cold Weather Event, Docket No. 21-KGSG-332-GIG, July 30, 2021 ("Financial Plan").

¹³Direct Testimony of Janet L. Buchanan, Direct Testimony of Mark W. Smith, Direct Testimony of Sean C. Postlethwait, Direct Testimony of Bernadette M. Johnson and Direct Testimony of Matt L. Robbins in Support of Plan, Docket No. 21-KGSG-332-GIG, July 30, 2021.

¹⁴Kansas Utility Financing and Securitization Act, Senate Substitution for House Bill No. 2072, published in Kansas Register April 22, 2021, sos.ks.gov/publications/register/volume-40/issue%2016/04-22-21-49065.html. Capitalized terms contained in this filing have the meanings set forth in new Section 1(b) of the Act.

Qualified Extraordinary Costs to be financed under the Plan; (2) range of time periods to be used to collect the Qualified Extraordinary Costs from customers under a Securitized Utility Tariff Charge that would be the same as the term of the Securitized Utility Tariff Bonds; (3) method of allocating the Qualified Extraordinary Costs among sales classes and the use of a fixed monthly Securitized Utility Tariff Charge to recover the Qualified Extraordinary Costs from sales customers; and (4) future rate-making process to reconcile any differences between the Securitized Utility Tariff Costs financed by the Securitized Utility Tariff Bonds and the final Securitized Utility Tariff Costs incurred by Kansas Gas Service relating to the Winter Event. The reconciliation process would include, but was not limited to, Kansas Gas Service crediting customers for: (i) the ultimate resolution of the net penalty amounts recovered by Kansas Gas Service after the Securitized Utility Tariff Bonds have been issued; (ii) the ultimate resolution of the net disputed purchased gas cost invoice amounts, if any, recovered or received by Kansas Gas Service after the Securitized Utility Tariff Bonds have been issued; and (iii) any subsequent federal or state governmental relief in the form of profit disgorgement, civil suit relief, market manipulation findings, etc., recovered by Kansas Gas Service after the Securitized Utility Tariff Bonds have been issued. To the extent that Kansas Gas Service would need a waiver of any of its existing tariffs in order to implement its Plan, including its Cost of Gas Rider ("COGR") tariff, the Company requested approval of said waivers.

6. On November 4, 2021, the Commission issued an order establishing a procedural order for the Financial Plan.¹⁵

7. The Commission granted intervention to the following parties (collectively including Kansas Gas Service, "Parties") in the 332 Docket:

¹⁵Order Establishing Procedural Schedule for Financial Plan, Docket No. 21-KGSG-332-GIG filed November 4, 2021.

- (a) BlueMark Energy, LLC ("BlueMark");
- (b) Freedom Pipeline, LLC ("Freedom");
- (c) National Gas Transportation Customer Coalition ("NGTCC");
- (d) Wood River Energy LLC ("Wood River");
- (e) State of Kansas, *ex rel.*, Derek Schmidt, Attorney General ("AG");
- (f) CURB;
- (g) Atmos Energy Corporation ("Atmos Energy");
- (h) Constellation NewEnergy - Gas Division LLC ("Constellation");
- (i) Symmetry Energy Solutions, LLC ("Symmetry");
- (j) Catholic Diocese of Wichita;
- (k) Bonavia Properties LLC ("Bonavia");
- (l) Temple Live Wichita LLC ("Temple Live");¹⁶
- (m) Foley Rebuild Center LLC and Foley Equipment Company ("Foley"); and
- (n) Central Christian Church of Wichita, Kansas.

8. All of the Parties participated in a technical/settlement conference held on November 8, 2021. Settlement discussions occurred through November 19, 2021. The Agreement provided to the Commission by the Joint Movants was reached on November 19, 2021, and filed on November 19, 2021. The Joint Movants plan to file testimony in support of the Agreement.

9. The Joint Movants believe the Agreement represents a reasonable and fair resolution

¹⁶Order on Petitions to Intervene of Bluemark and CURB filed March 9, 2021; Order Granting Intervention to WoodRiver Energy, LLC filed March 30, 2021; Order Granting Intervention to Bonavia Properties, LLC filed May 4, 2021; Order Granting Intervention to NGTCC, Constellation, Catholic Diocese and TempleLive dated July 1, 2021; Order Granting Petition to Intervene of the Office of Kansas Attorney General dated July 27, 2021; Order Granting Symmetry's Petition to Intervene dated August 5, 2021; Order Granting Atmos' Petition to Intervene dated August 17, 2021; Order Granting Freedom Pipeline, LLC's Petition to Intervene dated August 17, 2021, Docket No. 21-KGSG-332-GIG.

of this matter and that the terms contained therein are in the public interest. Specifically, the Agreement results in a plan that will minimize the financial impact of the Winter Event on customers while allowing Kansas Gas Service the opportunity to recover the extraordinary costs that it incurred as a result of the Winter Event on behalf of its customers and to bring its credit metrics back in line over a reasonable period of time. The Agreement modifies the Financial Plan originally proposed by Kansas Gas Service. It allows Kansas Gas Service to apply for a Financing Order in a separate docket pursuant to the applicable provisions contained in the Act. The Financing Order would authorize the issuance of Securitized Utility Tariff Bonds to finance the Qualified Extraordinary Costs (as defined by the Act) incurred by Kansas Gas Service as a result of the Winter Event as set forth in the Agreement in order to minimize the financial impact on Kansas Gas Service and its customers. Instead of calculating carrying charges using Kansas Gas Service's weighted average cost of capital of 8.6%, as provided for in the Commission's Emergency Order, the carrying charges under the Agreement are calculated using 2.0% which should be applied to the Qualified Extraordinary Costs as identified in the Agreement, and which will be trued up and verified in the separate docket filed by Kansas Gas Service to obtain a Financing Order allowing for the issuance of securitization bonds under the Act. The lower carrying charge percentage agreed to by the Joint Movants reduces the total carrying charges from approximately \$70 million to approximately \$15 million.

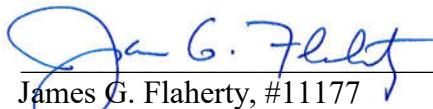
10. The Agreement also reduces the carrying charge owed by the marketers and transportation customers from 8.6% to 2.0% and revises the terms of the Settlement on Waiver currently pending before the Commission to reflect the lower carrying charge rate.

11. All parties to this docket, except for one, Symmetry, either are signatories to the Agreement on the Financial Plan and the revised settlement agreement in the Waiver Proceeding, or have indicated that they are not opposed to the Agreement on the Financial Plan and the revised

settlement agreement in the Waiver Proceeding. Symmetry remains opposed to both settlements.

12. NGTCC, Catholic Diocese of Wichita, Bonavia, Temple Live, Foley and Central Christian Church of Wichita, Kansas, while a signatory to the Agreement or otherwise not opposing the Agreement, expressly take no position on either the amount or prudence of the Qualified Extraordinary Costs set forth in Appendix 1 to the attached Agreement and reserve their rights to object in any Commission docket or proceeding, or any other type of action in any court or agency, to any proposal that would seek to charge natural gas transportation customers for any of the Qualified Extraordinary Costs set forth in Appendix 1 to the Agreement or amounts included in the revised settlement agreement in the Waiver Proceeding.

WHEREFORE, for the reasons set forth herein, the Joint Movants request this Joint Motion be granted and that the Agreement attached hereto be approved.



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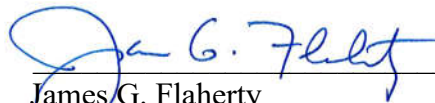
Attorneys for National Gas Transportation Customer
Coalition

VERIFICATION

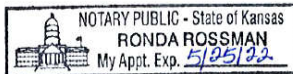
STATE OF KANSAS, COUNTY OF FRANKLIN, ss:

James G. Flaherty, of lawful age, being first duly sworn on oath, states:

That he is the attorney for Kansas Gas Service, a Division of ONE Gas, Inc., named in the foregoing Joint Motion to Approve Settlement Agreement, and is duly authorized to make this affidavit; that he has read the foregoing Joint Motion, and knows the contents thereof; and that the facts set forth therein are true.


James G. Flaherty

SUBSCRIBED AND SWORN to before me this 19th day of November, 2021.





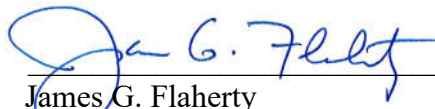
Notary Public

Appointment/Commission Expires:

CERTIFICATE OF SERVICE

I hereby certify that a copy of the above and foregoing was sent via electronic mail, this 19th day of November, 2021, addressed to:

alexantongoldberg@gmail.com, shelly.bass@atmosenergy.com, kevin.frank@atmosenergy.com,
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James G. Flaherty

BEFORE THE STATE CORPORATION COMMISSION
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In the Matter of the Investigation into Kansas Gas)	
Service Company, a Division of ONE Gas, Inc.)	
Regarding the February 2021 Winter Weather Events,)	Docket No. 21-KGSG-332-GIG
as Contemplated by Docket No. 21-GIMX-303-MIS)	

SETTLEMENT AGREEMENT

This Settlement Agreement ("Agreement") is entered into between and among Kansas Gas Service Company, a Division of ONE Gas, Inc. ("Kansas Gas Service"), the Staff of the State Corporation Commission of the State of Kansas ("Staff" and "Commission," respectively), the Citizens' Utility Ratepayer Board ("CURB") and National Gas Transportation Customer Coalition ("NGTCC") (collectively Joint Movants"). This Agreement is being submitted to the Commission for approval pursuant to K.A.R. 82-1-230a.

I. INTRODUCTION: PROCEDURAL HISTORY OF DOCKETS

1. On February 15, 2021, the Commission issued an Emergency Order ("Emergency Order") relating to the stress on utility and natural gas providers caused by the sub-zero temperatures which were causing increased energy demand and natural gas supply constraints throughout Kansas and wholesale natural gas prices to increases from 10 to 100 times higher than normal ("Winter Event").¹ The Commission stated that Kansas utilities were facing potential reliability issues related to the prolonged arctic temperatures and, therefore, it intended to exercise its emergency powers pursuant to K.S.A. 77-536(a).² The Commission directed all jurisdictional natural gas and electric

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utilities to coordinate efforts and take all reasonably feasible, lawful, and appropriate actions to ensure adequate transportation and electricity to interconnected, non-jurisdictional Kansas utilities.³ The Commission ordered the utilities to do everything necessary to ensure natural gas and electricity service continue to be provided to their customers in Kansas.⁴ The Commission authorized every electric and natural gas utility to defer extraordinary costs relating to the Winter Event to a regulatory asset account.⁵ The Commission indicated that deferred costs may also include carrying costs at the utility's weighted average cost of capital ("WACC").⁶

2. On March 9, 2021, the Commission opened Docket No. 21-KGSG-332-GIG ("332 Docket") to investigate the effects of the Winter Event on Kansas Gas Service and its customers.⁷ The Commission intended to analyze any extraordinary costs incurred during the Winter Event.⁸ The Commission ordered Kansas Gas Service to file a plan to minimize the financial impact of the Winter Event on customers.⁹

3. On May 28, 2021, Kansas Gas Service filed a Motion for Limited Waiver ("Motion for Waiver") in this docket seeking Commission authorization to deviate from Section 11.06 of the Kansas Gas Service General Terms and Conditions for Gas Service ("Tariff") provisions in order to allow Kansas Gas Service to remove multipliers from the calculation of penalties incurred by

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⁹*Id.*

marketers and Individually Balanced Transportation Customers for violations of the Operational Flow Orders ("OFO") and/or Period Curtailment Orders ("POC") issued by Kansas Gas Service during Winter Storm Uri.¹⁰

4. On October 8, 2021, a Joint Motion to Approve Non-Unanimous Settlement Agreement was filed in this docket relating to the Motion for Waiver ("Settlement on Waiver") which is pending determination by the Commission ("Waiver Proceeding").¹¹

5. On July 30, 2021, Kansas Gas Service submitted its plan to minimize the financial impact of the Winter Event on customers in the 332 Docket ("Financial Plan").¹² Kansas Gas Service filed pre-filed direct testimony and exhibits in support of its Financial Plan prepared by Janet L. Buchanan, Mark W. Smith, Sean C. Postlethwait, Bernadette M. Johnson and Matt L. Robbins.¹³ Under the Financial Plan, Kansas Gas Service would apply for a Financing Order in a separate docket pursuant to the applicable provisions contained in the Utility Financing and Securitization Act passed by the Kansas Legislature in 2021 ("Act").¹⁴ The Financing Order would authorize the issuance of Securitized Utility Tariff Bonds to finance the Qualified Extraordinary Costs (as defined by the Act) incurred by Kansas Gas Service as a result of the 2021 winter weather event ("Winter Event") in order to minimize the financial impact on the Company and its customers.

¹⁰Motion for Waiver, Docket No. 21-KGSG-332-GIG filed May 28, 2021.

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The other main elements of the Plan include the: (1) identification and quantification of the Qualified Extraordinary Costs to be financed under the Plan; (2) range of time periods to be used to collect the Qualified Extraordinary Costs from customers under a Securitized Utility Tariff Charge that would be the same as the term of the Securitized Utility Tariff Bonds; (3) method of allocating the Qualified Extraordinary Costs among sales classes and the use of a fixed monthly Securitized Utility Tariff Charge to recover the Qualified Extraordinary Costs from sales customers; and (4) future rate-making process to reconcile any differences between the Securitized Utility Tariff Costs financed by the Securitized Utility Tariff Bonds and the final Securitized Utility Tariff Costs incurred by Kansas Gas Service relating to the Winter Event. The reconciliation process would include, but is not limited to, Kansas Gas Service crediting customers for: (i) the ultimate resolution of the net penalty amounts recovered by Kansas Gas Service after the Securitized Utility Tariff Bonds have been issued; (ii) the ultimate resolution of the net disputed purchased gas cost invoice amounts, if any, recovered or received by Kansas Gas Service after the Securitized Utility Tariff Bonds have been issued; and (iii) any subsequent federal or state governmental relief in the form of profit disgorgement, civil suit relief, market manipulation findings, etc., recovered by Kansas Gas Service after the Securitized Utility Tariff Bonds have been issued. To the extent that Kansas Gas Service would need a waiver of any of its existing tariffs in order to implement its Plan, including its Cost of Gas Rider ("COGR") tariff, the Company requests approval of said waivers.

6. On November 4, 2021, the Commission issued an order establishing a procedural order for the Financial Plan.¹⁵

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7. The Commission granted intervention to the following parties (collectively including Kansas Gas Service, "Parties") in the 332 Docket:

- (a) BlueMark Energy, LLC ("BlueMark");
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- (d) Wood River Energy LLC ("Wood River");
- (e) State of Kansas, *ex rel.*, Derek Schmidt, Attorney General ("AG");
- (f) CURB;
- (g) Atmos Energy Corporation ("Atmos Energy");
- (h) Constellation NewEnergy - Gas Division LLC ("Constellation");
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19, 2021. The Joint Movants plan to file testimony in support of the Agreement.

9. The Joint Movants believe the Agreement represents a reasonable and fair resolution of this matter and that the terms contained therein are in the public interest. NGTCC, Catholic Diocese of Wichita, Bonavia, Temple Live, Foley and Central Christian Church of Wichita, Kansas, while a signatory to the Agreement or otherwise not opposing the settlement, expressly take no position on either the amount or prudence of the Qualified Extraordinary Costs set forth in Appendix 1 to this Agreement and reserve their rights to object in any Commission docket or proceeding, or any other type of action in any court or agency, to any proposal that would seek to charge natural gas transportation customers for any of the Qualified Extraordinary Costs set forth in Appendix 1 to this Agreement or amounts included in the revised settlement agreement in the Waiver Proceeding.

II. SETTLEMENT PROVISIONS

10. Subject to the true-up and verification requirement set forth in this paragraph 10, the Joint Movants agree that the \$366,158,817 in Qualified Extraordinary Costs incurred by Kansas Gas Service during the Winter Event were prudently incurred by the utility and that Kansas Gas Service shall be allowed to recover said costs pursuant to the terms contained in this Agreement ("Qualified Extraordinary Costs"). Attached as Appendix 1 to this Agreement is a list of Qualified Extraordinary Costs and the amount of those costs. The Qualified Extraordinary Costs shall be trued-up and verified as part of Kansas Gas Service's separate filing to obtain a Financing Order under the Act.

11. In order to minimize the financial impact to Kansas Gas Service's customers of the Qualified Extraordinary Costs incurred as a result of the Winter Event, Kansas Gas Service shall apply for a Financing Order in a separate docket pursuant to the applicable provisions contained in the Act. The Financing Order would authorize the issuance of Securitized Utility Tariff Bonds to finance the

Qualified Extraordinary Costs incurred by Kansas Gas Service as a result of the Winter Event, which are set forth in Appendix 1 to this Agreement.

12. Kansas Gas Service shall also be permitted to recover carrying charges on the Qualified Extraordinary Costs. However, instead of incorporating the Commission authorized calculation of a carrying cost based on Kansas Gas Service's weighted average cost of capital of 8.6012%, Kansas Gas Service has agreed to lower the carrying charge rate to 2.0% on those Qualified Extraordinary Costs incurred between the time the costs were incurred until the Securitized Utility Bonds are issued and Kansas Gas Service begins to charge customers a Securitized Utility Tariff Charge. This reduction in the carrying charges results in reducing the carrying charges from approximately \$70 million over the above referenced period to approximately \$15 million, producing a savings of \$55 million.

13. Kansas Gas Service agrees to defer determination by the Commission on items relating to the Securitized Utility Tariff Bonds, such as the term of the bonds and how the Securitized Utility Tariff Charge will be recovered from Kansas Gas Service's sales customers to Kansas Gas Service's separate filing for approval of its issuance of Securitized Utility Tariff Bonds.

14. The amount of gas cost identified as Qualified Extraordinary Costs, removes \$14,940,073 associated with a disputed Macquarie invoice as identified in the Financial Plan after November, 2021. If at the time of the separate filing for the issuance of Securitized Utility Tariff Bonds, the invoice dispute has been resolved, Kansas Gas Service will include the resolved amount, if any, in the amount to be securitized. However, if the dispute is not resolved at the time of the separate filing, then the Joint Movants agree that Kansas Gas Service can seek recovery of the amount, if any, ultimately paid by Kansas Gas Service relating to the disputed Macquarie invoice, including

any costs and attorneys' fees incurred relating to the disputed Macquarie invoice, upon resolution, either through the COGR/ACA or allowed to be deferred and recovered in a future rate case.

15. Any reconciliation proposal included by Kansas Gas Service in its separate filing for approval to issue the Securitized Utility Tariff Bonds shall consider both the deferred tax liability associated with the extraordinary gas cost recoveries, as well as the corresponding and offsetting deferred tax asset associated with the net operating loss carryforward created by the extraordinary costs.¹⁷

16. If Kansas Gas Service receives or recovers any payments as a result of any subsequent federal or state governmental relief in the form of profit disgorgement, civil suit relief, market manipulation findings, etc., resulting from the Winter Event, it shall pass those payments on to its customers through its COGR/ACA, even if those payments may be received or recovered after the expiration of the Securitized Utility Tariff Charge.

17. Provided that such would be allowed under the Act, the Joint Movants agree that the Securitized Utility Tariff Charge will not be charged to transportation customers because those transportation customers are not considered retail customers as that term is used in the Act.

18. By December 31, 2022, Kansas Gas Service will propose a tariff to assist low-income customers.

19. Provided that such would be allowed under the Act, any Kansas Gas Service sales customer, who intends on becoming a Kansas Gas Service's transportation customer during the period in which the Securitized Utility Tariff Charge is being recovered shall be required to pay Kansas Gas

¹⁷While the deferred tax liability and deferred tax asset currently net to zero rate base impact, the deferred tax asset may reverse over the time period of rate recovery and therefore there would be a net rate base reduction associated with these deferred taxes.

Service a conversion fee prior to becoming a transportation customer. The conversion fee owed by the customer shall be based on the present value of the expected charges the customer would have paid as a sales customer over the remaining period in which the Securitized Utility Tariff Charge is being recovered. This conversion fee will be credited to Kansas Gas Service's other sales customers once a year through the COGR/ACA.

20. Kansas Gas Service agrees to reduce the carrying charge rate applied to amounts set forth in the Settlement on Waiver to the 2.0% carry charge rate agreed to in this Agreement and to recalculate the amounts owed under that settlement agreement by the transportation customers. In consideration for this agreement to reduce the carrying charge rate for the transportation customers, NGTCC, Catholic Diocese of Wichita, Bonavia, Temple Live, Foley and Central Christian Church of Wichita, Kansas, will withdraw their objection, if any, and support the revised settlement agreement in the Settlement on Waiver Proceeding.

21. NGTCC, Catholic Diocese of Wichita, Bonavia, Temple Live, Foley and Central Christian Church of Wichita, Kansas, while a signatory to the Agreement or otherwise not opposing the Agreement, expressly take no position on either the amount or prudence of the Qualified Extraordinary Costs set forth in Appendix 1 to this Agreement and reserve their rights to object in any Commission docket or proceeding, or any other type of action in any court or agency, to any proposal that would seek to charge natural gas transportation customers for any of the Qualified Extraordinary Costs set forth in Appendix 1 to this Agreement or amounts included in the revised settlement agreement in the Waiver Proceeding.

22. Nothing in this Agreement is intended to impinge or restrict, in any manner, the exercise by the Commission of any statutory right, including the right of access to information, and

any statutory obligation, including the obligation to ensure that Kansas Gas Service is providing efficient and sufficient service at just and reasonable rates.

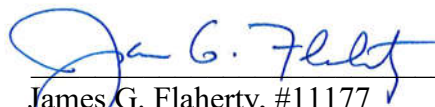
23. The Joint Movants shall have the right to present pre filed testimony in support of this Agreement. Such testimony shall be filed formally in the docket and presented by witnesses at a hearing on this Agreement. Such testimony shall be filed as required by the procedural schedule , or any modification to the procedural schedule filed in this docket.

24. This Agreement represents a negotiated settlement that fully resolves all of the issues in this docket among the Joint Movants as it relates to the Waiver Proceeding and Financial Plan only. The Joint Movants acknowledge that the Commission still intends to take up other issues in this docket relating to the Winter Event and those issues are specifically not addressed in this Agreement. The Joint Movants represent that the terms of this Agreement constitute a fair and reasonable resolution of the issues addressed herein. Except as specified herein, the Joint Movants shall not be prejudiced, bound by, or in any way affected by the terms of this Agreement (a) in any future proceeding; (b) in any proceeding currently pending under a separate docket; (c) in this proceeding should the Commission decide not to approve this Agreement in the instant proceeding; and/or (d) in this proceeding as it relates to any issue other than the Waiver Proceeding or the Financial Plan. If the Commission accepts this Agreement in its entirety and incorporates the same into a final order without material modification, the Joint Movants shall be bound by its terms and the Commission's order incorporating its terms as to all issues addressed herein and in accordance with the terms hereof, as it relates to the Waiver Proceeding and the Financial Plan, and will not appeal the Commission's order on these issues provided that Commission approval of this Agreement shall not constitute approval of, or precedent regarding, any principle or issue in this proceeding.

25. The provisions of this Agreement have resulted from negotiations among the Joint Movants and are interdependent. In the event that the Commission does not approve and adopt the terms of this Agreement in total, the Agreement shall be voidable and no party hereto shall be bound, prejudiced, or in any way affected by any of the agreements or provisions hereof. Further, in such event, this Agreement shall be considered privileged and not admissible in evidence or made a part of the record in any proceeding.

26. To the extent this Agreement provides for information, documents or other data to be furnished to the Commission or Staff, such information, documents or data shall be filed with the Commission and a copy served upon the Commission's Director of Utilities. Such information, documents, or data shall be marked and identified with the docket number of this proceeding.

IN WITNESS WHEREOF, the Joint Movants have executed and approved this Stipulated Settlement Agreement, effective as of the 19th day of November, 2021, by subscribing their signatures below.



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Coalition

LIST OF QUALIFIED EXTRAORDINARY COSTS

DESCRIPTION	AMOUNT
Gas Costs	\$358,086,241
O&M	\$222,459
Financing Fees - Term Loan	\$4,525,260
Financing Fees - Notes Offering	\$2,393,383
Legal/Consulting (unrelated to financing)	\$931,474
Total Extraordinary Costs	\$366,158,817